

WASHINGTON

AGENTS & BROKERS

NEWSLETTER

Washington State Insurance Commissioner Mike Kreidler

Fall 2001

LETTER FROM THE COMMISSIONER

I have been a public servant for more than 25 years and I am very honored to now serve the residents of Washington state in the capacity of Insurance Commissioner. I look forward to working on the difficult issues that face both consumers and industry representatives.

Insurance has a very strong impact on our daily lives and I can assure you that building a strong viable market in all lines of insurance is one of my top priorities. In order to keep open communication between my office and the agent/broker segment of the industry, I feel it is very important to continue the relationship with the Agent/Broker Advisory Committee (a list of committee members is on page 7). This group of volunteers will meet regularly with me and my senior staff, keeping us abreast of what they see and hear in their communities and businesses. We had our first meeting this month and I am very pleased with the exchanges offered.

Since taking office, another priority has been to develop strong products that are useful to consumers and the industry alike as well as reduce costs where possible. One outcome is to meet with the Advisory Committee on a regular schedule and to produce a newsletter regarding issues that face agents/brokers semi-annually. To help control costs, we are now making the newsletter an electronic document. This step will save an enormous amount of money on printing and mailing costs associated with distributing a hard copy. By developing the newsletter more than once a year, we will also be able to keep you up-to-date on issues affecting you on a more timely basis. If you have concerns or issues you would like to see addressed in this newsletter, please contact Public Affairs by e-mail, insurance@oic.wa.gov

I look forward to the challenges that the Office of the Insurance Commissioner presents. I am excited to be in a position that will allow me to affect a positive change for residents of this state and your help and cooperation will help attain this goal.

Mike Kreidler
Washington State Insurance Commissioner

Changes in Agent Examinations Requirements

By Georgia Cooper

The agent examinations consist of two parts, the content portion and the statutes & regulations portion. Previously, a candidate had to pass both sections at the same time in order to pass the examination. Effective Aug. 1, 2001, agent candidates will be required to retake only the portion of the test that was failed. However, the candidate must pass the failed portion within 90 days of passing the first portion in order to receive a “pass” on the entire examination. If you do not pass both portions within 90 days, you must retake the entire examination.

Licensees Moving from Non-Resident to Resident

Effective Aug. 1, 2001, the general content portion of an examination for life, disability, property or casualty may be waived if the candidate has been licensed continuously in another state for the same line or lines of insurance for a minimum of two years, and within the last 90 days. The licensee may apply for a waiver by sending us a letter affirming that his/her license status conforms to the requirements, and forwarding copies of his/her previous licenses, or other written proof from his/her former state's insurance department. A statement that he understands that he must still complete an approved four-hour course on Washington statutes and regulations should be in the waiver request letter. If the licensee meets the above requirements, we will send him/her a written waiver. The waiver and the Certificate of Completion for statutes and regulations will allow him/her to be admitted for testing for the statutes and regulations portion of the examination.

Diagnostic Report

The diagnostic report on the examinations has also changed. The report will indicate pass or fail for each portion. If you fail the content portion, you will receive your scaled score and a breakdown of the content areas where there are deficiencies. If you fail the statutes and regulation portion, you will receive your scaled score only. The Office of the Insurance Commissioner wants to ensure that candidates have neither an advantage nor a disadvantage because of having taken a particular examination at a particular time. For this reason, scores are adjusted for minor fluctuations that may occur in the difficulty level of questions on different examinations. This statistical adjustment to account for possible fluctuations in difficulty levels results in what is known as “scaled scores.” These scores range from 1 to 100, but they are NOT to be interpreted as the percentage or number of questions answered correctly. The passing scaled score on each test portion of the examination is 75.

New Test Center

An additional Assessment Systems Inc. (ASI) Test Center opened Aug. 4, 2001. The location is Henry Cogswell College, Everett, Wash. Due to volume and accessibility, this location will be administering two sessions of examinations every Saturday. If it is deemed necessary, more sessions will be made available. If you wish to use this location for your testing, indicate your preference when scheduling your examination with ASI (1-800-274-8949).

Licensing and Education Essentials

By Georgia Cooper

Up-To-Date Address is Essential

The Office of the Insurance Commissioner sends out license renewal forms 45 days prior to the month of expiration. Invalid addresses are the number one reason why agents don't receive their license renewal form. If you have not received your renewal 30 days prior to the expiration date of your license, please call the Licensing & Education Section, (360) 407-0341, and request a duplicate renewal. The renewal form is required when renewing your license.

Washington law requires licensees to promptly notify the Office of the Insurance Commissioner of any change of address. If your address has changed, please notify us by:

E-mail: sandras@oic.wa.gov

Fax: (360) 438-7629

Mail: Office of the Insurance Commissioner,
P.O. Box 40257
Olympia, Wash. 98504-0257.

There is no fee required. However, if a duplicate license with the new address is desired, mail the address change with \$5 fee.

If you have any question regarding Licensing and Education, please call the following:

- ▶ **Georgia Cooper,**
Administrator, (360) 438-7707
- ▶ **Sue Davidson,**
Education Examiner, (360) 438-7708

Physical Address vs. Mailing Address

When using the U.S. Postal Service for mail delivery, you should use the post office box address, Office of the Insurance Commissioner, POB 40257, Olympia, Wash. 98504-0257. The U.S. Postal Service does not deliver to our physical address. Use the physical address, Office of the Insurance Commissioner, 4224 Sixth Ave. SE, Bldg. 5, Lacey, Wash. 98503, only when using overnight services such as FedEx, Airborne or United Parcel.

Letter of Clearance vs. Letter of Certification

A letter of clearance is requested by a resident licensee when he moves to another state. The letter of clearance is required by the new home state in order to obtain a license. When a letter of clearance is requested, the Washington license is cancelled.

A letter of certification is requested when a licensee wishes to be licensed as a non-resident agent in another state or if he is required to submit a letter with his non-resident renewal. Requesting the wrong letter could result in the unintentional termination of the license.

Approval of Securities Courses for Continuing Education

Effective July 20, 2001, the Office of the Insurance Commissioner will approve the Series 6 and 63 securities courses for continuing education credit. The provider must submit a request for approval of the course. The Series 6 course is approved for 20 hours of credit. The Series 63 course is approved for 4 hours of credit. The provider should issue Continuing Education Certificates.

Rules that Affect Agents and Brokers

by Jon Hedegard

Privacy Rules Became Effective July 1

The rules (R 2000-08) to implement the privacy aspects of the state patient Bill of Rights and federal Gramm-Leach-Bliley act were adopted January 1, 2001 and became effective July 1, 2001. Staff from the Office of the Insurance Commissioner worked with the associations to help get the word out about the impact on agents and brokers and answer questions about the privacy rules.

The rules use the NAIC model as a basis, but do vary in the area of health information privacy. The rules may prohibit “licensees” (agent, broker, insurer, etc.) from sharing a consumer’s or customer’s financial and health information. If an agent or broker does intend to share this information, they may be required to send a copy of the notices to the consumer or customer and provide the ability to “opt-out.” There is an “agent exemption” in WAC 284-04-120(18) that may allow one licensee to rely on the compliance of another, but this may not address all of the business practices of the agent or broker.

Prior to the rules becoming effective, Commissioner Kreidler reviewed the privacy rules and found that some provisions had unintended impacts that were unduly burdensome on agents and brokers. On June 29, 2001, an emergency rule (R 2001-04) was filed to exempt

agents from the provisions of WAC 284-04-500. A permanent rule-making will be undertaken to fully discuss the issue and make any changes permanent. Commissioner Kreidler will continue to review privacy issues and monitor NAIC discussions on the subject and may seek additional rule changes to reduce compliance costs while safeguarding private information.

The adopted rules (R 2000-08) and the emergency rules (R 2001-04) are available on the Rules page of the OIC website

www.insurance.wa.gov/rules.htm

E-mail Notification of Rules

In an effort to increase access to rule-making information, the OIC has created an e-mail service for rule-making information and technical assistance advisories. The OIC posts all official rule-making information to the list, generally within 24 hours of the filing. All interested parties are encouraged to self-enroll at the Rules page and receive rule-making information at their desk. Within hours of official filings you can learn about OIC rules, comment on text, or plan to attend hearings.

Selling Unregistered Investment Products and Other Land Mines

by Deborah Bortner
Securities Director, Dept. of Financial Institutions

Earn 12% in sales commissions!

Sound too good to be true? In some cases, it is exactly that, but it is one of the lures used to attract insurance agents to peddle fraudulent or questionable investment products such as promissory notes, prime bank, high-yield program or offshore trust investment schemes and viatical settlement investments.

These investments are not registered with the Securities and Exchange Commission or with state securities regulators. The fact that the investments are not registered and may be fraudulent schemes can be a potentially dangerous minefield for insurance agents or investment planners who undertake to sell these products without first doing their due diligence. Violations of the federal and state securities registration and anti-fraud provisions can lead to administrative, civil and criminal penalties for the unwary insurance agent or planner.

Agents are often told by the promoters that these investment products do not need to be registered with the Insurance Commissioner's Office or the federal and state securities regulators because they are neither insurance products or securities. Many of these investment schemes are thinly disguised attempts to do an end run around the federal and state securities laws.

What agents are not told is the chance that these investments may be scrutinized by federal and state securities regulators, consumer protection agencies, the IRS, or law enforcement authorities is extremely high. The potential consequences for the agents selling these products can be severe. Even if no regulatory or law enforcement agency takes an interest, an insurance agent or planner may expose him or herself to personal civil liability when a former client's attorney alleges violations of federal or state securities laws in a private lawsuit if the investment goes bad.

Promissory Notes

In June 2000, the Securities and Exchange Commission and the North American Securities Administrators Association announced a sweep of fraudulent promissory note schemes. These investment schemes frequently involved the sale of promissory notes to investors with the promise that the notes were guaranteed by offshore insurance companies, or that the notes were backed by surety bonds or other collateral. The SEC took action against 21 different issuers of notes in which 18 involved the participation of insurance agents. Similarly, insurance agents were named in the majority of actions taken by 28 different state regulators.

Prime Bank, High Yield Program or Offshore Trust Investment Schemes

Since 1993, the Federal Reserve Board, the Securities and Exchange Commission and other regulatory agencies have alerted the public that high yield trading programs purporting to involve investments in the offshore trading of financial instruments called prime bank instruments, debentures or federal reserve notes are fraudulent and do not involve bona fide financial instruments or actual trading of securities. While the use of offshore trusts is widely practiced by international corporations and extremely wealthy individuals, the marketing of investments involving offshore trust to the average investor should raise a red flag for agents or planners who are asked to market them.

Viaticals

In the past several years, state securities administrators around the country have posted notices or sent letters regarding the sale of viatical settlement contract investments to insurance agents licensed in their respective states. Viatical settlement contracts are arrangements in which a terminally ill person sells the death benefit in his or her life insurance policy in return for cash that can be used for current expenses. Over the past several years the sale of viatical settlement investments has become more widespread and promoters of these investments typically recruit insurance agents to market them to the public.

Promoters of these investments often claim that the investments are not securities and therefore, their sales agents need not inform their broker-dealers of their activities or check with the state securities regulator before selling the investments. They may make that claim based on a federal circuit court decision (commonly referred to as the Life Partners case). Unfortunately for insurance agents who want to market these viatical settlement investments, (1) the Life Partners decision is not necessarily binding on the federal district courts in the various states (only the federal circuit court for the District of Columbia has ruled on this issue); (2) many states and legal scholars disagree with the decision; and (3) the decision is not binding on state securities regulators. A number of state securities administrators have taken enforcement action against viatical settlement investment promoters and the insurance agents who marketed the investments.

If the investment products that you wish to sell, or are selling, are in fact securities, you may violate not only your state's requirements for the registration of securities offerings, but also the prohibition against selling securities without a license to do so. Even if you are licensed to sell securities, you may violate the prohibition against "selling away" — that is, the prohibition against selling securities that have not been approved for sale by the broker-dealer by which you are employed. You must have the permission of your broker-dealer to sell any security and to generally conduct any "outside business activity."

Relying on the word of a promoter for whom you are selling such investments to determine whether they are securities is a mistake. Ultimately, the agent is responsible for knowing what he or she is selling and ensuring that any sales of securities are made in compliance with federal and state law. Violations of the federal and state registration and licensing laws, as described above, can lead to an agent being financially liable for rescinding the investment transactions and subject to regulatory, civil and criminal sanctions.

Tips on Negotiating the Minefield

Here are some simple tips on how to safely negotiate the minefield of unregistered investments.

1. **Common sense** tells us that if something is too good to be true, it is too good to be true. Avoid investments that promise unreasonably high rates of return.
2. **Do not rely** on the word of the promoter that an investment does not require registration under federal or state securities law. Have the offering checked out by a securities attorney.
3. **Consider running the offering** by the SEC or state securities regulator. While they will not give an offering “the blessing” of the agency, most agencies will express their concerns or reservations about an offering that does not pass the “smell test.”
4. **If you are an insurance agent** who is also licensed with a securities firm, you are already obligated to disclose your participation in any outside business activity to the firm. Your firm’s legal department should review the offering for compliance



AGENTS AND BROKERS ADVISORY COMMITTEE

Commissioner Kreidler appointed a cross-section of agents and brokers throughout the state to serve on this advisory committee early in July. The committee will meet quarterly to discuss issues that affect agents and brokers that do business in Washington. One section of the committee is comprised of agents and brokers specializing in property and casualty and the other is engaged in marketing life and disability products. The exchange of information between this group of individuals will be quite beneficial for both the agents and the Office of the Insurance Commissioner.

CURRENT MEMEBERS

Life & Disability Representatives:

Patti Smith, Kirkland; John Rathbun, Yelm; Brenda M. Brink, Yakima; Dean Byus III, Liberty Lake; Sean Corry, Seattle; Dell Durden, Seattle; Bud Larimer, Seattle; Ben W. Reppond, Bellevue; Sil L. Arata, Jr., Vancouver; Gregory Seifert, Vancouver; Richard E. McKinnon, Kennewick.

Property & Casualty Representatives:

Carole Stewart, Mill Creek; Ray Peretti, Renton; Kendel J. Lyman, Seattle; Robert D. Bush, Redmond; Leon Giles, Seattle; Steve Sakahra, Seattle; Betty A. Baker, Bellevue; Kim Impecoven, Spokane; Thomas P. Long, Jr., Seattle; Harold L. Anderson, Seattle; David Hargreaves, Yakima.

Credit Scoring Public Meetings

Commissioner Kreidler will hold public meetings in October to hear testimony regarding credit scoring. Insurance companies have been actively using credit information for the last several years to determine a consumer's level of risk before selling or renewing auto, home or renter insurance policies. Insurers believe that there is a direct statistical relationship between financial stability and risk. They may use a consumer's credit score as one underwriting factor in determining whether to accept or decline coverage or to place a consumer in a nonstandard insurer.

For further fact finding, Commissioner Kreidler will hold public meetings across the state and encourages agents and brokers to participate in this important step. The public meetings are listed below with the locations. All meetings will be held 6:30-8:30 p.m. If you have questions, please call the Public Affairs Division at (360) 753-3110.

Oct. 25 - Spokane

West Coast Ridpath Hotel
515 W. Sprague Ave

Oct. 30 - Vancouver

Red Lion Hotel at the Quay
100 Columbia Street

Oct. 29 - Yakima

Oxford Suites
1701 East Yakima Avenue

Nov. 1 - Seattle

Best Western Executive Inn
Vashon Room
200 Taylor Ave. N.

DISCIPLINARY ACTIONS - 2000

LICENSES REVOKED

Able Truck Insurance Agency, Inc.

(Brooks, OR) D 00-125; Improper handling of premium and selling insurance without a license.

Armstrong, Lashon Y. (Summit, IL) D 00-115; Failure to respond.

Baggett, Christopher M. (Stafford, VA) D 00-20; Failure to respond.

Bannochie, Barbara D. (Kenmore) D 00-116; Failure to respond.

Breedlove, Christy (Spokane) D 00-37; Improper handling of funds.

Carroll, Trashaun M. (Phoenix, AZ) D 00-61; Failure to respond.

Coughlin, Karen H. (Virginia Beach, VA) D 00-120; Misrepresentation in application for license & conviction of a felony.

Davie, Harry M. (Chicago, IL) D 00-102; failure to respond.

Davies, Gyan (Seattle) D 00-121; Failure to respond & insufficient funds to cover check for licensing fee.

Davis, Michael J. (Spokane) D 00-122; Conviction of two felonies.

Diamond Corporation, The, dba Designer Homes Super Center (Tacoma) D 00-21; Failure to respond.

Durrah, Diana (Cleveland, OH) D 00-104; Misrepresentation & failure to respond.

Fuson, Rob T. (Spokane) D 00-26; Acting as a broker without a license; improper handling of funds & exercising powers outside scope of license.

Giles, Faye R. (Blue Island, Illinois) D 00-16; Failure to respond & failure to maintain license in state of residence.

Golden Age Planning, Inc. (Renton) D 00-80; Failure to respond.

Gruber, Daniel R. (Nebraska City, NE) D 00-13; Failure to respond.

Grumley, Brian E. (New Britain, CT) D 00-108; Failure to respond.

Halverson, Angel L. (Cedar Falls, IA) D 00-42; Failure to respond.

Hamilton, Eugene P. (Portland, OR) D 00-43; Failure to respond; license revoked in state of residence & incompetent and untrustworthy conduct.

Harris, Thomas T. (Waukegan, IL) D 00-109; Failure to respond.

Jackson, Kia N. (Scottsdale, AZ) D 00-101; Failure to respond.

Jones, William A. (Tacoma) D 00-32; Failure to respond.

King, Jerry M. (Renton) D 00-83; Failure to respond; incompetent or untrustworthy behavior & engaged in fraudulent transactions.

Lawson, Clarissa O. (Allentown, PA) D 00-41; Failure to respond.

McClay, Latrice A. (Chicago, IL) D 00-85; Failure to respond.

McLure, Kevin M. (Spokane) D 00-88; Failure to respond; improper handling of funds & illegal dealing in premium.

Parker, Jay A. (Cicero, IL) D 00-14; Failure to respond.

Pearson, Rick C. (Everett) D 00-100; Failure to respond.

Peeples, Jerry J. (Chicago, IL) D 00-107; Failure to respond.

Price, Lucas K. (Canton, IL) D 00-117; Failure to respond & failure to notify of change of address.

Stuelke, Kathryn L. (Waterloo, IA) D 00-84; Failure to respond.

Taylor, Arthur L. (Apopka, FL) D 00-38; Conviction of a felony & failure to respond.

Tran, Viet T. (Santa Clara, CA) D 00-73; Failure to respond.

Williams, C. Dell (Chicago, IL) D 00-95; Failure to respond & conviction of a crime.

FINES LEVIED

Affiliated FM Insurance Company (Johnston, RI) D 00-105; Use of disapproved rates and forms. Fined \$5,000.

American General Life and Accident Insurance Company (Nashville, TN) D 00-54; Regulatory Settlement Agreement. Fined \$1,200.

American Institute for Cancer Research, Inc. (Washington, DC) D 00-46; Selling insurance without a license. Fined \$130.

American National Insurance Company (Chandler, OK) D 00-98; Market Conduct Violations. Fined \$200,000.

Atlantic Mutual Insurance Company & Centennial Insurance Company (New York, NY) D 00-93; Issuing policies using superceded rates. Fined \$5,000.

Bankers Life and Casualty Company (Chicago, IL) D 00-24; Failure to deliver policy. Fined \$1,500.

Beckner, James D. (Kennewick) D 00-07; Misrepresentation & failure to complete required replacement notice. Fined \$500.

Bergeson, Garey G. (Ridgefield); D 00-33; Improper handling of premium; failure to maintain records & unauthorized issuance of binders. Fined \$500.

Caledonian Insurance Company (New York, NY); D 00-94; Failure to notify OIC of name change & failure to file special liability report by deadline. Fined \$3,500.

Cascade National Insurance Company (Seattle) D 00-39; Use of unapproved forms. Fined \$5,000.

Cascade Title Company of Clark County, Inc. (Vancouver) D 00-25; Selling insurance without a license. Fined \$1,000.

Century Associates, Inc. (Tacoma) D 00-11; Improper handling of premium. Fined \$1,000.

Charitable Golf Association, Inc. (Indiana) D 00-44; Selling insurance without a license. Fined \$5,000.

Checpoint, Inc. (Poulsbo) D 00-99; Allowing unlicensed public adjuster to transact insurance business. Fined \$1,000.

Christian and Missionary Alliance (Colorado Springs, CO) D 00-72; Issuance of Charitable Gift Annuities without being properly licensed. Fined \$455.

Chubb Indemnity Group of Affiliate Companies (New York, NY) D 00-04; Market Conduct Violations. Fined \$67,625.

Community Health Plans of Washington (WA) D 00-90; Failure to respond. Fined \$2,500.

Gerber Life Insurance Company (White Plains, NY) D 00-29; Using unfiled & unapproved rates & failure to respond. Fined \$150,000.

Great Southern Life Insurance Company (Dallas, TX) D 00-69; Failure to deliver policy within a reasonable time. Fined \$1,500.

Greenhill, Peter J. (Issaquah) D 00-34; Misrepresentation. Fined \$500.

Group Health Cooperative of Puget Sound (WA) D 00-91; Annual statement did not adhere to instructions required by NAIC; annual statement did not include addresses of members of its board of directors & failure to respond. Fined \$500.

Guaranty National Insurance Company (Englewood, CO) D 00-09; Illegal rate changes. Fined \$1,500.

Happy Days RV Superstore (Olympia, WA) D 00-55; failure to maintain records & improper handling of funds. Fined \$2,500.

Hartford Group of Affiliated Companies (Hartford, CT) D 00-19; Failure to respond. Fined \$10,000.

Hartford Group of Affiliated Companies (Hartford, CT)

D 00-28; Failure to use loss cost revisions. Fined \$35,000.

Healthguard Services of Washington (WA) D 00-126; Failure to file solicitation permits for surplus notes & recording as part of net worth. Fined \$30,000.

Heritage Foundation, (Washington, DC) D 00-35; Licensing violations. Fined \$250.

Independent Insurance Group, Inc. (Bainbridge Island) D 00-27; Improper handling of premiums. Fined \$500.

Laurier Indemnity Company (Rorcross, GA) D 00-75; Failure to file special liability report by required deadline. Fined \$2,500.

Liberty Insurance Under-writers, Inc. (New York, NY) D 00-114; Failure to respond. Fined \$2,500.

Lutheran Bible Institute of Seattle, The (Issaquah) D 00-17; Transacting insurance without a license. Fined \$940.

Lutheran Church-Missouri Synod Foundation (St. Louis, MO) D 00-58; Transacting insurance without a license. Fined \$645.

Mayo Foundation for Medical Education and Research (Rochester, MN) D 00-18; Transacting insurance without a license. Fined \$365.

National Alliance Insurance Company (St. Louis, MO) D 00-08; Nonpayment of PIP. Fined \$5,000.

National Union Fire Insurance Company (Pittsburgh, PA) D 00-86; Failure to respond. Fined \$20,000.

North West Life Assurance Company of America (Bellingham) D 00-01; Failure to pay interest on death benefits. Fined \$55,000.

North West Life Assurance Company of Canada (Vancouver, BC) D 00-02; Failure to pay interest on death benefits. Fined \$6,000.

Odyssey America Reinsurance Corporation (Stanford, CT) D 00-64; Failure to file special liability report by required deadline. Fined \$2,500.

Odyssey Reinsurance Corporation (Wilmington, DE) D 00-74; Failure to file special liability report by required deadline. Fined \$2,500.

Permanent General Assurance

Corporation (Nashville, TN) D 00-65; Failure to file special liability report by required deadline. Fined \$2,500.

Premiera Blue Cross (Mt. Lake Terrace) D 00-10; Emergency room claims practices. Fined \$55,000.

Principal Life Insurance Company

(Des Moines, IA) D 00-110; Market Conduct Violations. Fined \$100,000.

Regence Blueshield (Seattle) D 00-47; Emergency room claims practices. Fined \$10,000.

Reliance National Indemnity**Company & Reliance National**

Indemnity Co. (Wilmington, DE) D 00-57; Failure to timely notify insured of denial of coverage. Fined \$160,000.

Reliance National Insurance**Company** (Wilmington, DE)

D 00-57; Failure to timely notify insured of denial of coverage. Fined \$5,000.

Sea West Insurance Agency Company

(Seattle) D 00-23; Allowing unlicensed individuals to sell insurance; failure to maintain books & records & improper handling of funds. Fined \$5,000.

SEND International (Farmington, MI) D 00-53; Licensing violations. Fined \$550.

Sloan Insurance, Inc. (Othello) D 00-12; Improper handling of premium & failure to maintain records. Fined \$5,000.

St. Paul Group of Affiliated**Companies** (St. Paul, MN)

D 00-03; Failure to file rates and forms; failure to use filed rates; failure to document credits and debits; failure to disclose pertinent policy provisions; numerous unfair claims settlement practices; advertising violations & use of nonappointed agents. Fined \$125,000.

Stone, Andrew J. (Oregon City, OR) D 00-51; Improper handling of funds. Fined \$1,500.

Traders & General Insurance

Company (Dallas, TX) D 00-79; Failure to file special liability report by required deadline. Fined \$2,500.

Travelers Property Casualty Group

(Hartford, CT) D 00-113; Use of unapproved rates & failure to fully insure covered motor vehicle service contracts. Fined \$2,500.

Universal Surety of America (Houston, TX) D 00-63; Failure to file special liability report by required deadline. Fined \$2,500.

Universal Underwriters Insurance**Company** (Farmington, MA) D 00-70;

Failure to file special liability report by required deadline. Fined \$2,500.

Usable Life (Little Rock, AR) D 00-67; failure to file notice of appointed or retained actuary & failure to respond. Fined \$17,500.

Western Protectors Insurance**Company** (McMinnville, OR) D 00-111;

Improper premium increase. Fined \$7,500.

Western Surety Company (Sioux Falls, SD) D 00-71; Failure to file special liability report by required deadline. Fined \$2,500.

LICENSES DENIED - NOT**RENEWED, REINSTATED OR ISSUED****AAA Associates Insurance Agency**

(Portland, OR) D 00-40; License revoked in state of residence.

Bowen, Stephany C. (Vancouver) D 00-49; Failure to respond.

Burkholder, Kenneth D. (Corbett, OR) and **Burkholder and Associates, Inc., dba Herzog & Burkholder Insurance** (Vancouver) D 00-106; Selling insurance without a license; improper handling of funds & failure to maintain records.

Catrino, Michele D. (Nine Mile Falls) D 00-89; Selling insurance without a license; improper handling of funds; illegal dealing in premium & unauthorized issuance of binders.

Coates, Jeffrey E. (Auburn) D 00-22; Improper handling of funds & misrepresentation.

Colbert, Robert C. (Federal Way) D 00-52; Alteration of insurance policies & applications.

Davis, Richard N. (Spokane) D 00-97; Failure to respond & use of unauthorized designation.

Ellis, Walter L. (Brooks, OR) D 00-124; Incompetent and untrustworthy conduct; improper handling of funds & purported to bind coverage with company not appointed as agent with.

Evans, Garry G. (Spokane) D 00-62; Selling insurance without a license; failure to notify OIC of change in address & failure to respond.

Hanson, Dennis G. (Bend, OR) D 00-96; Misrepresentation in application for insurance.

Londo, Michael A., dba Westside**Insurance Service** (Kelso) D 00-48;

Improper handling of funds; NSF checks & conviction of a felony.

McCain, Pamela S. (Spokane) D 00-66; Improper handling of funds.

Perrigo, Eric W., dba Eric Perrigo**Insurance Services** (Spokane) D 00-31;

Improper handling of premiums.

Summers, Robert S. dba Summers**Steve Insurance Agency** (Granite Falls)

D 00-36; Improper handling of premium.

Tusberg, Lee D. (Spokane) D 00-103;

Untrustworthy behavior.

Weaver, Duane J. (Edmonds) D 00-30; Conviction of a felony.

ORDERS TO CEASE AND DESIST

Cole, Charles S. (Victorville, CA) D 00-82; Acted as a viatical broker without a license.

Harmon, Corrine (Vashon Island) D 00-82; Acting as a viatical broker without a license.

Ingle Life & Health Insurance**Company** (Toronto, Ontario) D 00-06;

Marketing insurance without a certificate of authority.

Insurance Services Associates, LTD.

(Newmarket, Ontario) D 00-05; Selling insurance without a license for an unauthorized insurer.

ViaticalSettlements.Com, (Victorville, CA) D 00-82; Acting as a viatical broker without a license.

RCW = Revised Code of Washington

WAC = Washington Administrative Code

The Office of the Insurance Commissioner produces a multitude of publications of interest to you and your customers. Here is a partial list of fact sheets and brochures you can order.

Brochures/Pamphlets

- ☐ "Navigating Managed Care,"
a consumer guide to managed care
- ☐ Women's direct access to health care providers
- ☐ Homeowner Complaint Report
- ☐ Automobile Complaint Report
- ☐ Cutting Prescription Drug Costs
- ☐ Retirement and Your Health Insurance
- ☐ Managed Care, Medicare and You
- ☐ Medicare, Medigap and You
- ☐ Financing Long-Term Care Insurance
- ☐ "In The Driver's Seat,"
a consumer guide to auto insurance
- ☐ "From The Ground Up,"
a consumer guide to homeowner insurance
- ☐ "The Facts of Life," a consumer guide to life insurance
- ☐ "It's Your Choice," a consumer guide to complementary
and alternative health care
- ☐ A Consumer's Insurance Glossary

General Fact Sheets

- ☐ Life Expectancy Table
- ☐ OIC Agency Directory
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